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When Shall We Form Soviets?

THESES BY G. ZINOVIEFF

(Carried at the Moscow Conference of the Third International.)

1. Councils (Soviets) of Workers' Deputies appeared for the first time in Russia in 1905, at a moment when the revolutionary movement of the Russian workers was at its height. Already, in 1905, the Petrograd Council of Workers' Deputies was taking the first instinctive steps towards a seizure of power. And at that time the Petrograd Soviet was strong only in so far as it had a chance of acquiring political power. As soon as the imperial counter-revolution rallied its forces and the Labour movement slackened, the Soviet, after a short period of stagnation, ceased to exist.

2. When, in 1916, at the beginning of a new strong revolutionary wave, the idea began to awaken in Russia of the immediate organisation of Councils of Workers' Deputies, the Bolshevik Party warned the workers against the immediate formation of Soviets, and pointed out that it would be well-timed only at the moment when the revolution was already beginning, and when the time had come for the direct struggle for power.

3. At the beginning of the February revolution of 1917, when the Councils of Workers' Deputies were at once transformed into Councils of Workers' and Soldiers' Deputies, they drew into the sphere of their influence the widest circles of the masses, and at once acquired a tremendous authority, because the real force was on their side, in their hands. But when the liberal bourgeoisie recovered from the suddenness of the first revolutionary blows, and when the social-traitors, the Socialist-Revolutionaries and the Mensheviks, helped the Russian bourgeoisie to take the power into its hands, the importance of the Soviets began to dwindle. Only after the July days, and after the failure of Kornilov's counter-revolutionary campaign, when the widest masses of the people began to move, and when the collapse of the counter-revolutionary bourgeois-coalition Government was quite near, did the Soviets begin to flourish again; and they soon

acquired a decisive importance in the country.

4. The history of the German and the Austrian revolutions shows the same. When the popular masses revolted, when the revolutionary wave rose so high that it washed away the strongholds of the Hohenzollern and the Hapsburg monarchies in Germany and in Austria the Councils of Workers' and Soldiers' Deputies sprang up with gigantic rapidity. At first the real force was on their side, and the Soviets were well on the way to become the de facto power. But as soon as, owing to a whole series of historical conditions, the power began to pass to the bourgeoisie and the counter-revolutionary Social-Democrats, swiftly the Soviets began to decline and lose all importance. During the days of the unsuccessful counter-revolutionary revolt of Kapp-Lüttwitz in Germany, the Soviets again resumed their activity; but when the struggle ended again in the victory of the bourgeoisie and the social-traitors, the Soviets, which had just begun to lift their head again, once more died away.

5. The above facts show that, for the formation of Soviets, certain definite premises are necessary. To organise Councils of Workers' Deputies, and to transform them into Councils of Workers' and Soldiers' Deputies, the presence of three definite conditions is necessary:

(a) A great revolutionary impulse among the widest circles of the workmen and work-women, the soldiers, and the workers in general;

(b) An acute political and economic crisis, attaining such a degree that the power begins to slip out of the hands of the Government;

(c) When in the ranks of considerable masses of the workers, and first of all in the ranks of the Communist Party, a serious decision to begin a final, systematic, and regular struggle for power has matured.

6. In the absence of these conditions the Communists may and should systematically and persistently propagate the idea of Soviets, popularise it among the masses, demonstrate to the widest circles of the population that the Soviets are the only efficient form of government during the transition to complete Com-

munist. But to proceed to the direct organisation of Soviets, in the absence of the above three conditions, is impossible.

7. The attempt of the social-traitors in Germany to emasculate the Soviets, pervert their character, and then introduce them into the general bourgeois-democratic constitutional system, is treason against the workers' cause and deception of the workers. Real Soviets are possible only as a form of State organisation, replacing the bourgeois democracy, breaking it up, and replacing it by the dictatorship of the proletariat.

8. The propaganda of the Right Wing leaders of the Independents (Hilferding, Kautsky, and others) intending to prove the compatibility of the "Soviet system" with the bourgeois Constituent Assembly, is either a complete failure to comprehend the laws of development of a proletarian revolution, or a conscious deceiving of the working class. The Soviets are the dictatorship of the proletariat. The Constituent Assembly is the dictatorship of the bourgeoisie. To unite and reconcile the dictatorship of the workers with the dictatorship of the bourgeoisie is impossible.

9. The attempts of separate Communist groups in France, Italy, America, England to form Soviets not embracing the larger working masses, and unable therefore to enter into a direct struggle for power, are only prejudicial to the actual preparation of a Soviet revolution. Such artificial, hot-house "Soviets" soon become transformed, at best, into small associations for propaganda of the Soviet idea, and, in the worst case, such anaemic "Soviets" are capable only of compromising the Soviet idea in the eyes of the wide masses of the people.

10. Soviets without a revolution are impossible. Soviets without a proletarian revolution inevitably become a parody of Soviets. The authentic mass Soviets are the historically elaborated form of the dictatorship of the proletariat. All sincere and serious partisans of Soviet power should deal cautiously with the Soviet idea, and, while indefatigably propagating it amongst the masses, should proceed to the direct realisation of such Soviets only under the conditions indicated above.

England and Revolution.

British conservatism has been time and again instanced as proof of the unlikelihood of a revolution in England, or, at least, of a violent outburst by the masses. But it is forgotten that in the process of time many things take on new shapes and strange colors. And while it is not to be denied that the British worker is "stolid," or at least, slow of movement, this does not necessarily mean that he, as an exploited wage-worker, has not the same revolutionary potentialities as his fellow-workers on the continent. Too often, in the manner of the bourgeois historian, is light-headedness and revolutionary activity looked upon as one. The part played by France in the history of revolutionary Europe is no doubt greatly responsible for this. The rioting in London, the greast masses of unemployed, endeavoring to force their way to the Prime

Minister's residence, the "cheers for the revolution," the red flags, might well have taken place in Paris—and pictures of excitable French crowds conjured up in the mind.

But it must be remembered that slow though the British worker be there has been "grave" discontent in England certainly for three years, and, in that time the stability of the war period has collapsed, because of the demobilisation of the army. In addition to this, the former service men, not having been scattered throughout the country as individual workers, have as unemployed, tended to move and think as a body. This is the capitalism system busily at work creating its own grave-diggers, but there have also been conscious revolutionaries equally busy at work amongst these masses of unemployed. Hence, we have what the newspaper correspondent describes as "a pathetic feature of the affair is that the demonstrators are mostly former service men."

To say that this strike of the miners, coupled with great demonstrations, is the prelude to revolution is not at all wise, despite the steady growth in that di-

rection. It would be neglecting the possible action of the British Government. The suggestion of a general election to distract the people's attention that has been made, might well be used to gain time and to solidify the governmental forces, that is, assuming that the masses are actually ripe for spontaneous action on a wide scale. That they are indeed ripe is not at all improbable, for, not only are the mines dispersed over wide areas, but the cessation of industry dependent upon coal and a general clogging of social life, has carried the strike into districts themselves free from miners' strikes. It is not difficult to see that the press cables are endeavouring to minimise the general situation. England herself cannot be blind to the possibilities of the hour. Says the London "Times": "If the strike is prolonged or political issues allowed to supervene, there is much inflammable material about, which may soon bring on a more serious trouble than a difference over the datum line." Nevertheless, it is distinctly within the bounds of probability that the government will muddle through, if it only succeeds in muddling the workers (and the unemployed) back to a state of grumbling discontent.

Third Anniversary Russian Revolution.

CELEBRATION, SUNDAY NOVEMBER 7TH

Afternoon: Monster Demonstration in Sydney Domain.

Evening: A.S.P. Hall Liverpool Street, City.

RUSSIAN ASSOCIATION
N.S.W. LABOUR COUNCIL
AUST. SOC. PARTY

The International Socialist

OFFICIAL ORGAN OF THE
AUSTRALIAN SOCIALIST PARTY.

RAY EVERITT Managing Editor.

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Drop the Fetish!

In the official organ of the American W.I.U., the "Industrial Union News," August 28th, 1920, appears a report from T. Audley, of the Australian W.I.U. After wading through a wall about the confusion caused by the number of O.B.U.'s, here, we found the following:—

"SOCIALIST PARTY OPPOSES INDUSTRIAL UNIONISM."

"Along with this confusion, we also had to contend with the Socialist Party there who are opposed to Industrial Unionism. Fellow-Worker Wilson lectured at the Australian Socialist Party last Sunday, and after a discussion, C. Jackson, who by the way, was a G.E.B. member of the W.I.U., but who rattled, attacked our position and said that in the revolution both political and industrial organisations would go by the board, and that the revolution would be fought in the streets. This seems to be the attitude of the Australian Socialist Party now."

As usual, we found no evidence in support of the quoted statement; to have expected it, would have been too much to expect from those who, lacking a case, are forced to misrepresent.

It is queer how some individuals having a fetish for utopias which they base upon certain principles, become so confused through their blind worship, that it is impossible for them to distinguish the principle from the utopia—the foundation from the super-structure. To them, opposition to such utopian schemes as "100 per cent. organisation," "building the structure of the new society within the shell of the old," "job control under capitalism," etc., etc., is a denial of Industrial Unionism. To them, to be true to their fantastic schemes is the first law of their existence.

The A.S.P. has and still endorses Industrial Unionism. At one time it even lent its support to the Utopias, but owing to the unfolding of events during the last four years, it became wise and realised that they were utopias. Since then it has constantly fought these ideas, claiming that the first duty of the revolutionist was to make revolutionists, and not waste time catering for the slave instinct of the majority of wage slaves by inventing new (?) so-called revolutionary tactics, which, by using they could get something NOW. In this attitude we are evidently in good company—with the Third International.

We would suggest that the W.I.U. read the appeal of the Third International to the Industrial Workers of the World. Give it careful study along with the tactics of the Third International; then maybe the ranks of the Communist movement in Australia will be increased by a number of active individuals who, today, are endeavouring to do the impossible. The future of the Industrial Movement in Australia belongs to the W.I.U. of A. (O.B.U.), and its membership will not be exclusively Communists. Let the W.I.U. take heed of the Appeal of the Third International and assist in building a strong Communist movement in Australia, which, while it supports industrial unionism as against craft, will operate on both by forming groups of the party wherever possible.

We would also commend to their reason the letter of Mervyn Smith. Mervyn Smith was forced by the United States Authorities to leave the country "voluntarily." Just prior to that a discussion upon the

THE AUTHORITIES AND PETER SIMONOFF.

As a result of an answer by Mr. Hughes to a question in the House of Representatives last week as to whether the Commonwealth had retained documents and salary belonging to Peter Simonoff, who had been appointed Soviet Russia's Representative in Australia, Mr. M. Conisidine read correspondence to the House between the Prime Minister's Department and Simonoff, from which there can be no doubt that these were held by the Department's orders, notwithstanding Mr. Hughes's denial.

The following letter, which Simonoff received this week, would indicate that the Prime Minister knew much more than he said in the gas-house:—

Commonwealth of Australia,
Department of Defence,
Melbourne,
Oct. 15th, 1920.

Dear Sir,—With further reference to your letter of the 16th May, relative to the removal of the present existing prohibition of propaganda by you, I have to inform you that approval has now been given for the removal of the embargo against you, and you may speak publicly at meetings if you so desire.

Yours faithfully,
Secretary.

TO THE I.W.W.

Special Message from the Communist International (Moscow).

Foreword by TOM GLYNN.

Should be read by every worker. 4d posted.

need and possibility of a revolutionary (i.e. Socialist) industrial union as a prerequisite to the attainment of socialism, ran through three issues of the "Industrial Union News," of which he was editor, he taking the affirmative and S. F. Faulkner the negative. This was followed by the resignation of Mervyn Smith of the position of editor. This was passed over by the "Weekly People" of New York as a "remarkable ease of change of views," but, as the "Western Clarion," from which we reprint, says, "Mervyn Smith's open statement is worthy of a man whose mind is not closed to the light of reason. His future readers will experience the fruits of his straightforward pronouncement, which followed upon an earnest re-consideration of his principles examined under mature and balanced judgment."

LETTER OF RESIGNATION.

P.O. Box 651, Detroit, Mich.,
July 26, 1920.

To the Members of the G. E. B.
Fellow Workers:

I am herewith placing in your hands my resignation as editor of the Industrial Union News.

My reason for this step is that in addition to my desire to return to Canada, I have gradually found myself in disagreement with the W.I.U. position and conceptions, and this disagreement has proceeded so far that I am no longer justified in holding the position of editor, in which position I am bound to defend certain principles and tactics—a task which, with my changed ideas, I am not able to perform.

I hold, briefly, that the political party play a more important role than would be admitted in W.I.U. circles; and the attitude and methods of the political party toward economic organisations, which I believe should be adapted, are not those which the W.I.U. would be likely to agree.

Again, the W.I.U. practically works on the assumption that the Social Revolution is impossible unless as a preliminary step the industrial organisation of the workers is effected, which reasoning results in the efforts to build Socialist Industrial Unions under capitalism as a part of the process of "building the new society within the shell of the old." This argument in some of its phases is open to the same objection made against parliamentary reformism which seeks to attain Socialism "a step at a time." I have had to discard the idea that it was possible to effect Socialist Industrial Unionism under capitalism. A fundamental change in my views has resulted, and I am much closer to the position I had previously in Canada.

While I realised some weeks ago that this tendency of my reasoning would make it necessary for me to resign, the decision of the authorities to deport me made it unnecessary. However, the carrying out of the decision may be delayed, or it may even be reversed, and since it has already been postponed I would wish my action considered independently and without regard to what the outcome may be. Even if decided favorably I would nevertheless give up the position for the reasons stated above.

I hope that unless I am compelled to leave the United States within a few days through the action of the authorities, I will be relieved by the G. E. B. of this position, which, of course, I desire to leave as soon as possible, and should not hold longer than is required to make a few necessary arrangements for a substitute, etc.

Yours fraternally,
(Signed), MERVYN SMITH,
Editor, Industrial Union News.

THE Revolutionary Outlook

By MARCIA.

Our Old Friend?

"Mr. Asquith (leader of the liberal party), speaking at Newcastle, as an old friend, appealed to the patriotism of the miners to find a saner and more humane method than a disastrous strike."

Mr. Asquith is the workers' "old friend," alright; we wonder did his audience remind him, among other proofs of his friendship (?), of the memorable occasion when men were shot down in the streets of Featherstone at dictation, because they dared to demand better conditions!

Or of the many other occasions when he has been merciless in his severity towards our class; notably, the Easter rebellion in Ireland.

Mr. Asquith is, and always has been, a valuable friend—to the ruling class—and has had no compunction at any time in shedding the blood of the workers. May the time soon arrive in England when the latter will deal with him as he deserves.

Perhaps!

"All classes are enthusiastically offering to assist the Government" in the strike, says the "S.M.H." 18/10/20.

We say, perhaps; conditions are so universally bad in Great Britain that it is more likely for them all to hang together in a united effort to obtain better conditions, than for a section to scab on their fellow workers.

A few traitors there may and probably will be; but we have every hope that the majority will stand firm. However, we in Australia must be prepared to take all news from England, per medium of the Capital Press, with a grain of salt.

It would never do to let the workers out here know too much, lest they be induced to follow the example of their English comrades.

Recuperation!

"Naval circles are of the opinion that the Prince of Wales will command a warship as a preliminary to promotion to the rank of Rear-Admiral, spending some months at sea, which will enable him to recuperate."—"S.M.", 18/10/20.

His Royal Highness may be looking for work soon if affairs in England shape well. In that case, his recuperation will stand him in good stead.

Doing Without.

The Housewives' Association in Melbourne have decided to refuse to buy gloves at 37/6 per pair. A great decision so far as the working class is concerned. A working woman would expect to get a whole outfit for 37/6; and as to the "doing without" proposition, we have been doing that too long.

The workers' whole existence is spent in going without; and the boss is always devising new schemes for making them "go without" something else; the more you do without the better he like it.

Our motto should be: get all we can; the best is good enough for us, and we will not be satisfied until we get it.

Useless to pass resolutions to "do without" things; organise to get the whole of what we as a class produce.

More Burdens!

The new Governor-General has arrived in Australia. He has his staff of course, including a private secretary, and two A.D.C.'s, the former and one of the latter having wives and families. And they are all to be kept in luxury, and incidentally in idleness by the toil and sweat of the Australian workers, while many of the wives and children of the latter are starving and shivering in hovels only fit for pigs. No wonder Lord Forster smiles.

Basic Wage.

In a discussion on the Basic Wage proposition, Dr. Arthur stated that "The Basic Wage was never a question of the value of the work done."

We quite agree with Dr. Arthur; it never was, and never will be; but assuming that the statement be correct, why talk about increased production being a benefit to the working class?

Gaoing the Profiteer!

Messrs. Storey and Co. are going to jail the profiteer! We can, according to the "Worker," see looking in front of us gaol bars and convict clothes—for the boss—imagine it!

However, we note with interest that Mr. Lang, the State Treasurer, is making quite a lot of fuss about a loan of £3,000,000 that he must have; nothing can be done without it. Where is this £3,000,000 coming from? Obviously from the capitalist class, the workers possess nothing; consequently, if the Labor Party are too zealous in their attacks against the profiteers, the latter may become nasty and refuse to lend them any money. And there they are—where are they?

Why?

In connection with the strike in Great Britain, "Naval and Military leave has been stopped. The

Value and Exchange-value

A Brief Outline.

The habit amongst students of working-class economics of hankering after brief definitions of fundamental terms has led the "average worker" (whoever he may be) to say something about the term that frequently can not be described as a definition. If our "average worker" be asked for a definition of value, he will probably begin by saying that "it is determined by" But he will not be telling us what this IT is; where it exists; how it is made; whether it is always the same; or whether it undergoes any changes, etc.

In considering value our first difficulty presents itself in the fact that the value of an article, despite that it is commonly said to be worth so much money, is an abstraction. It is therefore necessary to examine the commodity as representing a certain value.

Commodities are to-day social products. They must be produced socially, upon a basis of a division of labour, or they would not be commodities, but merely products. Consequently, since the commodity can only exist in a social sense, its value can likewise only have a social existence. This first characteristic of value must be strongly emphasised, for without a full realisation of this social aspect of value, a clear comprehension of Marxian economics is impossible. A pertinent passage from Marx will not only place the point in a clear light, but will also carry us over to the next stage:

"If, however, we bear in mind that the value of commodities has a purely social reality, and that they acquire this reality only in so far as they are expressions or embodiments of one identical social substance, viz., human labour, it follows as a matter of course, that value can only manifest itself in the social relation of commodity to commodity."

Having seen that value is a social "something," the next point to discover is the difference and relation between value and exchange value. Marx's investigation proceeds upon the assumption, later verified, that there is an "intrinsic" value not at first apparent when examining the exchange of commodities in a general way. On page 43, of Vol. 1, "Capital," we read: ". . . exchange value appears to be something accidental and purely relative, and consequently an intrinsic value, i.e., an exchange value that is inseparably connected with, inherent in commodities seems a contradiction in terms."

As indicated in the previous quotation, there is a relationship between value and exchange value. Marx gives this relationship by stating that exchange value "generally is only the mode of expression, the phenomenal form, of something contained in it, yet distinguishable from it." The task now is to get at this something which becomes tangible in a shape not its own, and which it is yet possible to recognise as having an independent existence.

As has been seen, value has only a social existence, and consequently it is a generalisation. If it is to hold good as such, it must be capable of including within it all commodities produced by the society. This it can do only by having reference to those qualities in which each commodity resembles all other commodities. Economically, there is only one such commonly possessed quality, that of being the products of human labour.

But there are different kinds of human labour, each producing articles with different uses. Therefore, if our generalisation is still to hold good, it is obvious that our social value should be the product, not of a definite kind of human labour, but of general human labour. This is, of course, an abstraction. Thus we have social values produced by abstract social human labour. From this it is possible to see the difficulty of giving a definition of value. All that we can say is that it is something that has a social existence, and, that it is produced by human labour, in the abstract, i.e., without any thought of the particular operations that make it labour of any particular kind.

Just as we have worked from the particular commodity to the social value, i.e., from the particular and concrete to the general and abstract to find out what is behind the outward appearance of a social act, so we must now work backwards to the manifestation of what has been seen to be the product of abstract social human labour.

Since it is only a social reality, that is, a social relationship between things which, as we have seen is an abstraction, value can only manifest itself when encased in a use-value which stands in an exchange relationship to other commodities. Thus it is that value takes the form of, and appears to us as, exchange value. There is an essential difference between the two, yet it is in no way possible to understand the one apart from the other.

Since value is produced by common social labour,

Coldstream Guards have been summoned to London." What for? we would like to ask. Not for the good of their health; but to protect the interests of the ruling class in case of trouble. Let us hope that the ruling class will find them a weak reed to lean upon. It is quite possible that the army is waking up to the fact that it is composed of members of the working class.

Capitalism

ITS DEVELOPMENT AND COLLAPSE.

By T. FEARY.

The Capitalist system had its beginning in the 16th century in England with the birth of capitalist manufacture. The transformation of the greater portion of the 93 per cent. free men of the population at the end of the 14th century into a "free" proletariat by (1) the disbanding of feudal retainers; (2) conversion of agricultural into pastoral land; and (3) the abolition of the monasteries, creates the first element of capitalist society. The development of manufacture and the transformation of huge masses of wealth, plundered from America and the East, into capital, provides the other element. The exploitation of masses of wage-labour by the owners of the means of production is the main feature of capitalist production. Manufacture based on sub-division of labour and co-operation was in the course of time superseded by modern industry based on machinery that resolved the various detail processes of the labourer into the function of the machine. As machine industry developed, labour became more intensified and capital concentrated. Larger masses of capital made relatively smaller the labour employed and increased the surplus value extracted from labour in the process of production.

The development of capital from its origin in England is merely the process of subjecting the dependent and lower economic classes of all countries to its method of exploitation. Capital developed by increasing the mass of labour at its command. Hence we find a continuous investment of English, American, German and other capital in undeveloped countries—South America, Africa, Persia, India, Siberia, and the transformation of African blacks, Indian peasants, etc., into wage-slaves. Starting from England we may look upon the mass of capital invested abroad in foreign and Colonial countries each year as the value of the annual product, minus the wages of the working class, plus the expenses of the capitalist class including State administration, etc. This mass of capital invested abroad each year did not dissolve. It expanded. Exploiting the wage-labour it created in its foreign fields, it threw itself back upon the world market with additional masses of products for exchange and re-conversion into capital. Capital lives and grows only by the exploitation of labour. "It is the lordship of past, stored up realised labour over actual, living labour that transforms the stored up labour into capital."—(Marx).

In order that the surplus value contained in the

it follows that its magnitudes are measured by the amount of socially necessary labour expended, i.e., by the time it is in operation. Before finalising this point it is necessary to bear in mind that Capitalist production is competitive machine production, and consequently the value of any given commodity is not fixed, but normally tends to fall, and the average social labour time is the basis upon which the value is determined. It might be pointed out here also that as social products, the difficulty of actually calculating the value of any one commodity presents insuperable obstacles. But generally, the value of a commodity can be defined as the amount of labour time necessary for its reproduction under average social conditions.

When two commodities are brought by their owners into an exchange relation the question of an exchange value can only then come into being. Nevertheless, it must be remembered that capitalistic production proceeds upon the basis of creating articles with the definite end of their being exchanged. Capitalist production is therefore commodity production, and the idea of an exchange presupposes the private ownership of those commodities, which is socially accepted. Further behind this as well as the social recognition of money as a universal equivalent, there is also a social recognition of value in its exchange form. To quote from Marx:—

" . . . Since the existence of commodities is purely social, this social existence can be expressed by the totality of their social relations alone, and consequently that the form of their value must be a socially recognised form."

Under such conditions each commodity finds an expression of its value in terms of another; each acts as the equivalent of the other. Of course, this is only possible because the value of each commodity is the embodiment of the one substance common to each. A commodity can only find an expression of its value in a different use value and in the form of exchange value. The use value then becomes the relative expression of the value of another commodity, and thus an abstraction, value, has to express itself in the concrete as a use value, and this it can only do when brought into an exchange relationship.

The magnitude of the value of the second commodity is determined in the same way as that of the first, and consequently the quantity of socially necessary labour time in each is the same, since the two have equated in the exchange. Here it is possible to see in part the origin of the confusion of the two terms, value and exchange value.

Only by tracing the growth of one form to the subsequent form is it possible clearly to grasp the Marxian theory of value, and to avoid the snares of an off-hand definition.—A.T.B.

commodity, or labour product, may be realised, it must be sold or exchanged for money. The mass of boots, that is, the product of the boot industry, is useless to its capitalist owners unless it can be transformed into money with which they can purchase the necessities of their lives, pay taxes, and expenses incidental to the industry. With capital still developing, invading economically undeveloped countries, and building State institutions, the world market absorbed with little difficulty and transformed product or commodity into universal equivalent or money. But as the field of investment became narrow and more circumscribed and masses of surplus products came from countries that formerly absorbed the surpluses of other countries, the market showed its inability to serve all. At this stage competition began in deadly earnest. Capitalist producers, realising the limitations of the market, set about the improvement of the industrial processes. They wished to ensure a place on the market for their products by producing cheap in order to sell cheap and cheaper than their competitors. This could be accomplished only by increasing the productivity of labour of that where they sold one commodity for a shilling they were able to sell two for the same sum and glut the market quicker and bring about a more disastrous crisis.

The first great crisis occurred in 1873. Many had appeared previously, but that of 1873 shook the commercial system; and, in fact, the whole economic fabric, from New York to Moscow and marked the beginning of the international aspect of the commercial crisis. From thence onwards the whole world was shaken from time to time in the convulsion of commercial crises. In 1882, 1890, and 1895, they played their role. Whole groups of capitalist concerns fell through sheer inability to keep pace with the increasing productivity of labour. Only the larger capitalists and capitalist combines survived, and they were compelled to race against each other in the struggle for place on the market.

In the same manner arose the struggle for fields of investment for capital. England, Germany, France, Italy, U.S.A. all conflicted upon foreign fields, and out of this conflict emanated the wars of the 19th and 20th centuries. Capital having assumed international proportions begets international conflicts. The interests of the U.S. Oil Trust demand extension of its power to the oil fields of other countries. English and French interests turn towards the oil fields of South Russia and Persia. The extension of capitalist industry and centralisation of capital brings all nations into conflict. Like hungry wolves over a carcass they fight each other for possession of foreign fields. Nations that fought side by side yesterday, fight each other in all the brutality of modern warfare to-day.

All this is the logical result of the development of the power of production, and the transformation of the greater portion of the entire human race into proletarians, dependent for their merest existence upon the sale of their labouring power to the owners of the means of production. No matter what the value of wage-slave's product may be, he receives no more than is necessary to maintain his existence as a wage-slave. When he has produced more than his capitalist employer can consume or sell he must cease work and deprive himself of even his miserable wage. He wanders around the city with an empty stomach and in meagre clothing, to gaze upon the wealth that his class has produced. In the docks lie ships loaded with produce awaiting the demand of other countries; the warehouses and stores are full of food and clothing, mocking him in his starvation. The factories, mines, mills, ships, etc., that his class has made stand idle. Before them he stands in fear, as his savage ancestors in countless ages past feared the lightning and the storm.

(To be continued).

A.S.P. HALL

LIVERPOOL STREET, CITY.

WEDNESDAY NEXT, October 27th.

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A.S.P. Literature Department, 115 Goulburn St., Sydney**De Leon on the Gridiron**

In view of the fact that Daniel De Leon, former leader of Socialist Labor Party of America and Editor of its official organ, "The People," has for many years gone unchallenged and steadfastly worshipped, and has lately been described by the "O.B.U. Herald" (Melbourne) as a THOROUGH MARXIAN, Fellow-Worker M. J. Hade lectured in Sydney Branch Hall on Sunday last with the object of showing that such a claim is disproved by De Leon's own writings in a great number of places.

De Leon, in the columns of the "Daily People," during 1909 and 1910, undertook to toast and roast a certain bourgeois gentleman named Watson, and it is therefore most appropriate that De Leon should be given some of his own medicine.

As to De Leon's being a "thorough Marxian": What does he state to be the "essence of a Socialist theory, of Socialist philosophy?" On page 6 of "Two Pages from Roman History," he says that it is "THE COMBINED ECONOMIC LAW OF EXCHANGE VALUE AND SOCIOLOGIC LAW WITH REGARD TO MAN'S BEING A TOOL-USING ANIMAL." Even Benjamin Franklin knew a man was something more than a TOOL-USING ANIMAL; that is, a TOOL-MAKING animal. The monkey in using stones to crack nuts, is a tool-using animal. As to the law of exchange value. Well, there ain't no such animal. Such a statement as this shows that De Leon did not clearly understand the Marxian theory of Value and of Exchange Value. The true basis of the socialist position is in the materialist conception, the class struggle, and the theory of value with its consequent proposition of surplus value.

Further misunderstanding of the Marxian position is shown in a great number of places in "What Means This Strike?", "Marx on Mallock," and in his speeches in the First Convention of the I.W.W., the point in question being that

LABOR PRODUCES ALL WEALTH.

a statement that Marx deals with in "Capital," vol. 1, p. 10, English edition, as well as on page 7 of the "Gotha Programme," in the edition published by the S.L.P. of Australia, the De Leon party, from which De Leon is seen to be nothing more than middle class in his outlook.

De Leon's economics show repeatedly a failure to understand the question of value, e.g., pages 6 and 30 of "Vulgar Economy," page 19 of "Watson on the Gridiron," page 39 of "Money." In addition to confusing value and exchange value, De Leon also confuses labor, labor-power and labor-time. "Value" is a crystallisation of abstract simple labor; the magnitude of value is measured in labor-time. Labor-power is what is sold by the wage slave, but in his "Burning Question of Trades Unionism" (p. 23) De Leon talks of the sale of LABOR, and that value is determined by the "amount of socially necessary labor-POWER," ("Vulgar Economy," p. 30). De Leon further misunderstands surplus value, which in "Watson" (p. 18), he holds it to be the worth of a commodity over and above its cost of production, and on p. 19 includes RENT as one element in the cost of production. On this basis it is not possible to explain value, as rent does not enter into the value of a commodity. Actually, surplus value is that value produced by the working class in excess of the equal of their wages.

On the question of price De Leon is also at sea ("Watson," p. 25). The use of the word "ultimately" by Marx (f.p., 144, vol. 1, Eng. Ed.), as to the coincidence of value and price can only be understood by reference to the Third Volume of "Capital," which De Leon refuses to accept as the work of Marx ("Vulgar Economy," p. 44 and following). This refusal by De

Leon to accept the Third Vol. places him in a remarkable position, for he cannot understand the Marxian theory of ground-rent without the proposition of the rate of profit, which he states was elaborated by Marx in "Value, Price and Profit," when as a matter of fact the matter is not mentioned in that booklet.

De Leon's utter confusion on the question of money and barter is illustrated by him in "Money," pages 29 and 44. In one instance he states that barter has disappeared, because of closer social contact, while in the other, he asserts that the exchange of commodities is in essence only barter. A reference to the "Critique of Political," page 123, and "Capital," p. 88, Eng. Ed., will show that De Leon placed himself in the class of apologetic economists whom he endeavors to roast. Much other matter was brought forward to show by De Leon's own writings his weakness on Marxian economics.

At the first I.W.W. Convention De Leon also showed his misunderstanding of the socialist philosophy in saying (see report, page 68), that a man's actions are controlled by his "material necessities." This, taken in conjunction with matter on pages 20-23, of "Watson," are clear proof of this. De Leon failed to see that economic INTEREST does not control men's actions, but economic CONDITIONS, the latter producing the former.

Further proof of De Leon's ignorance of the materialist conception of history is seen when he says, twice in the I.W.W. Convention (p. 251), and in "What Means This Strike?" (p. 25), that "POLITICS ARE NOT A PRIVATE CONCERN, LIKE RELIGION." It is not possible to accept the materialist conception, and to say at the same time that religion is a private matter. It is a public nuisance. De Leon as a "thorough Marxian" should have known that, in the words of Marx, religion is "the sigh of the oppressed, the heart of a heartless world, and 'the opium of the people'."

The lecturer brought forward numerous quotations showing that there is not a phase of the socialist question in which De Leon does not show his lack of understanding. With his tactical propositions he did not deal.

At a future date, however, he hoped to deal with them, with the part played by De Leon and by the I.W.W. in the revolutionary movement, to show the weakness of each and the positive contributions of each to the movement as a whole, and, finally, to show, that having played their retrospective parts, they must pass from the stage, to be succeeded by the final party of proletarian emancipation—the Communist Party.

Australian Socialist Party**NEWS AND NOTES****SYDNEY BRANCH.**

Fellow-worker Mat Hade lectured in the Hall on Sunday, Oct. 17th, taking for his subject, "De Leon on the Gridiron." The lecture was fully reported and appears in another column of the "I.S." The Sunday night meetings in Liverpool-street continue excellent, and the Domain crowds show no signs of falling off in numbers. The Sunday night lectures also continue extremely well attended. With regard to these last we have several good things in store; notably an address by Com. Simonoff on "The Power of the Soviet," and a lantern lecture by Com. A. S. Reardon on "The Russian Revolution." We have

procured some fine slides in connection with the last, and expect by the interest that is being shown, secure a record attendance.

At the last Branch meeting the Secretary was instructed to report that Com. A. W. Wilson has been expelled from the Branch.

The charge against him was "making false statements about the Party"; same being "The A.S.P. one time endorsed the W.I.U.—or at least its preamble—which is tantamount to an endorsement of its organisation; and when they decided to run candidates they withdrew the endorsement."

This is so obviously false, seeing that the A.S.P. never failed to run candidates at the N.S.W. S. Elections, irrespective of its endorsement of W.I.U. Preamble.

The Branch, being of the opinion that this statement was made to back up an impossible position, to put forward a certain element prejudiced against the Party, took the above action, as it considers it is bad enough to be misrepresented by outsiders without such action by its own members.

MARCIA REARDON, Assist. Sec.

Sydney Branch members are requested to attend a Special Meeting on October 28, to prepare matter for submission to the Xmas Conference of the Party.

LOOKING BACKWARD

By Edward Bellamy.

One of the earliest novels of the Labor movement and still popular. Paper 1/6, posted 1/8; cloth 3/-, posted 3/9.

TO SUB. HUSTLERS.**A Competition.**

The call for increased activities on the part of sub. hustlers and paper sellers some few weeks ago showed good results, but not as good as we think it might have been. Both bundle orders and the list subscribers can be considerably increased. A mail of a 500 increase in subscribers has not gone far, but the increased cost of production—in this respect paper alone has increased over 300 per cent. in price since 1914.

Apart from the fact that an increase in the circulation is the best way of meeting the burden of high prices, it is needed from the viewpoint of propaganda. Every individual who claims to stand for working class emancipation by the establishment of Communism should work for its attainment. It is not with the power of all to be speakers or writers, but there is nothing to stop ALL from being sub. getters. Make the effort and see what YOU can do. Put the word on the landlady, the butcher, the baker, and above all your shop mates—you will be surprised how easily they will come though—for they are living in need of revolutionary agitation, and it is in YOUR power to give it to them. Send in for a book of sub. forms and have a try.

We are starting a competition for sub. hustlers, the one who sends in the highest number of sub. during October and November, Marx's 1st Vol. of "Capital" (or other books to the same value) will be given to the second highest, Marx's "Critique of Political Economy"; to the third, Marx's "Revolution and Counter Revolution."

The unit of the count will be the quarter's sub. (1/-); the half-year sub. (2/-), counting two; and the year's sub. (4/-), counting four. Send in for your sub. book and get busy.

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